

EXHIBIT F

**Charisse Espinosa**

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**From:** Juan Vidiella [Juan\_vidiella@grupoabrisa.com]  
**Sent:** Tuesday, July 31, 2007 11:15 AM  
**To:** Darien.Dash; 'dash'; Charisse Espinosa; charisse.espinosa@ubs.com  
**Subject:** BP Las iguanas  
**Attachments:** BUSINESS PLAN - Las Inguanas v5 july 26.doc

Darien and Charisse

Here I send you a draft of the BP. Let's discuss it when you can.

Also please send me as soon as you can the documentation for the closing.

1. Comments to the PSA
2. Description of the structure of the deal
3. Incorporation acts of the companies
4. Draft of the shareholders agreement/s
5. Draft of the debt terms
6. The 30 documents, letters and reports that appear on the list provided by DB
7. Any other documentation

I will be coming to NY late this week or Monday morning to help you with all this process. The legal department of Cap Cana is involved now in the closing so they will be calling you frequently.

Let's talk later.

Juan

# Executive Summary and Business Plan

## **LAS IGUANAS AT CAP CANA**

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Private & Confidential

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This document is Private and Confidential. Any dissemination without prior written consent is strictly prohibited.

**EXECUTIVE SUMMARY****Introduction**

Praxi Caribbean Realty Partners, LLC is a Special Purpose Entity (SPE) formed by the partners RWO Acquisitions, Centurion Realty, Cap Cana S.A. and Praxi, LLC for the purpose of securing the land acquisition, and development of Las Iguanas Residential Condominium Development project in a portion of land of approximately two hundred eighty eight thousand square meters (288.000 sqm ~ 72 Acres) located in the Plot 367 -B-43-REFUND.-7, that is within the CAP CANA project located in Juanillo, Higuey, Province La Altagracia, Dominican Republic (from here on the “The Plot”) (visit [www.capcana.com](http://www.capcana.com)).

**About Us:****Shareholders of Praxi Caribbean Realty Partners, S.A. (PRCP)**

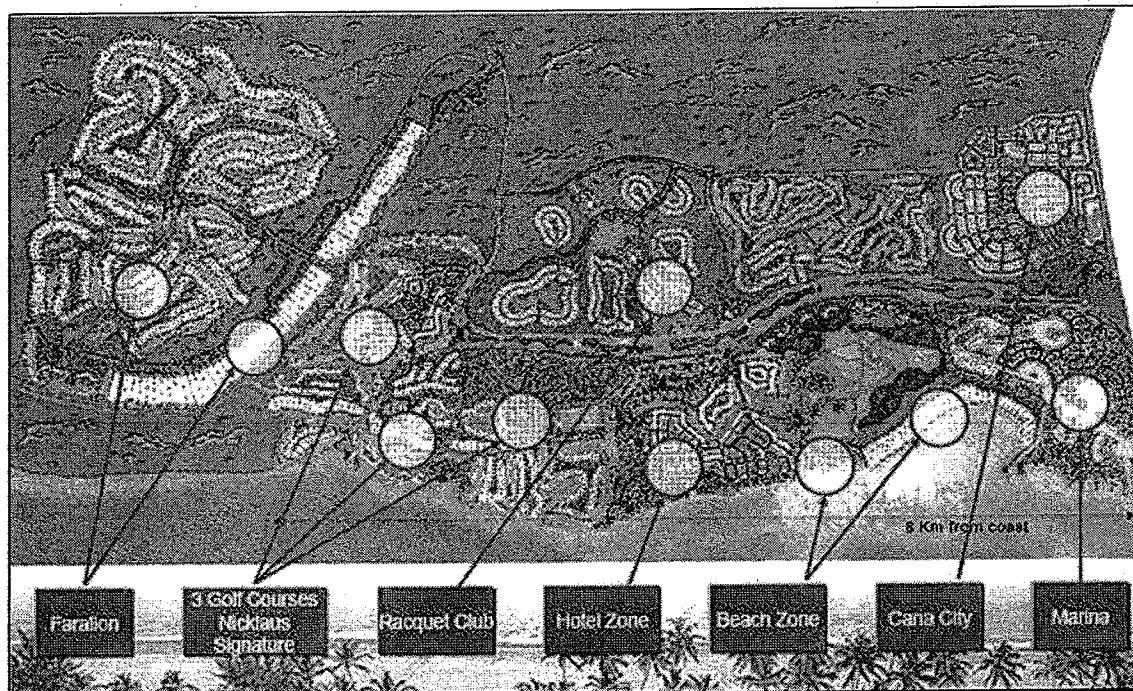
**Praxi, LLC** is a private investment firm. Praxi, LLC acquires and provides expansion capital to companies and Developers serving fast growing, under-served markets. Praxi, LLC, seeks to acquire and build companies and developments in partnership with experienced operating executives and targets industries and opportunities that provide significant consolidation opportunities and the potential for meaningful operating improvement, with a special focus on opportunities benefiting from the growth in the Caribbean markets.

**RWO** Acquisitions is a master planned developer of premier resort development communities in select markets in the U.S. and abroad. RWO Acquisitions pursues unique assets in leading destinations that have strong appreciation potential. RWO seeks off-market opportunities where speed, access to capital, quality execution, and design capability offer a competitive advantage. Typical RWO projects encompass residential uses (single-family, multifamily, townhomes, and condominium) and associated amenities, which include golf courses, retail, hotel, and office components.

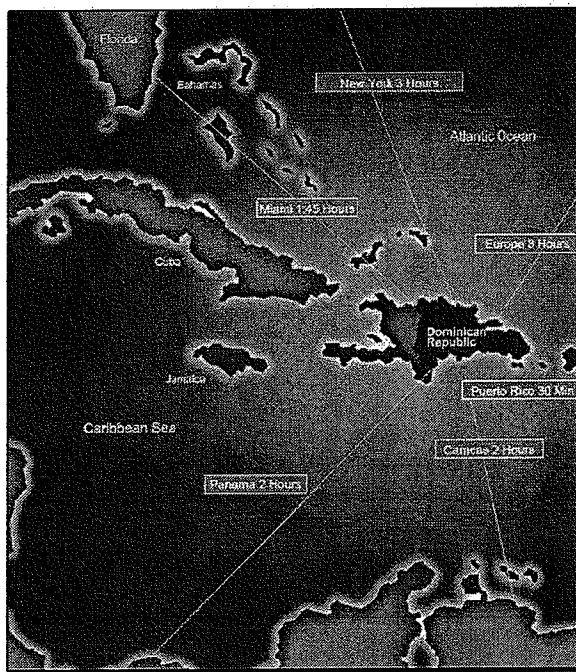
**Centurion Realty** is an erudite real estate management and development firm with material financial interest in the ownership, management, acquisition and development of income-producing real estate in the United States and abroad. Their portfolio includes a wide array of properties, including retail centers, office buildings, and industrial assets along with several mixed use projects.

**Cap Cana S.A.**, is a Dominican Republic based company organized and existing under the laws of the Dominican Republic with its registered office at Alberto Larancuent Street No. 8, Cap Cana Building, Ensanche Naco, Santo Domingo, Dominican Republic.

Cap Cana S.A. has developed a multiuse luxury resort in the Caribbean with world-class beaches, championship golf courses, yachting facilities and other leisure amenities. The property consists of over 46 square miles (119.9 square kilometers ~120 million sqm ~30.000 acres) of land, including a five-mile (eight kilometer) coastline and 2.2 miles (3.5 kilometers) of one of the most pristine beaches in the world.



Cap Cana is located on the easternmost tip of the Dominican Republic and is easily accessible from many parts of the world, as Punta Cana International Airport, only a ten-minute drive from the property, receives nonstop flights from large metropolitan centers in Europe, Canada and the United States, including daily flights from Miami (two hours) and New York (three hours).



When fully developed, Cap Cana is expected to have, among other things, the following amenities:

- five championship golf courses—three of which will be Nicklaus Signature courses;
- “Trump at Cap Cana” project that will deliver around 1,200 luxury real state units;
- one of the largest inland marinas in the Caribbean, with capacity for more than 500 yachts, including megayachts;
- several luxury hotels;
- over 10,000 housing units, including estate homes, villas and condominiums;
- numerous sports facilities, including private golf, beach and yacht clubs;
- a variety of high-end stores, restaurants, spas and entertainment complexes;
- a large ecological preserve

Given the scope of the property and the breadth of its product offerings, we believe Cap Cana will be a unique development in the Caribbean and the world. CB Richard Ellis, the largest commercial real estate services firm in the world, issued an appraisal report in which they estimated that the market value of the entire Cap Cana property as of August 31, 2006 was US\$1.1 billion. This figure is set to increase strongly after the huge advances that Cap Cana has experienced since then.

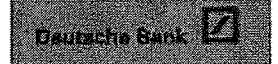
Cap Cana S.A. broke ground on the project in mid-2002 and as of December 2006, had invested approximately US\$256 million in infrastructure and other improvements, including construction of over 16.8 miles (27 kilometers) of paved roads, water reservoirs and associated distribution systems, sewage treatment facilities, power generation and distribution for the project's energy needs through 2008, a private beach club and our principal sales office. In addition, in September 2006 Cap Cana inaugurated the Punta Espada Golf Course, the first of three planned Nicklaus

Signature golf courses, and the related Punta Espada Golf Clubhouse. Furthermore, April 2007 brought the opening of the first phase of the Marina.

Since the commencement of the project through December 2006, Cap Cana S.A. had sold US\$493.6 million of real estate properties, including sales of US\$170.1 million for the year ended December 2006. On May 2007, Cap Cana reached a new sales record of US\$300 million and over 95% of inventory in the first four hours of the first day of Farallon Trump at Cap Cana sales launch. From January to June 2007, Cap Cana net sales exceed 450 US\$ million, putting Cap Cana close to 1 billion in sales since the beginning of the project.

Through June 2007, Cap Cana S.A. had delivered 171 lots, including ten lots sold to hotel and real estate developers. Additionally, Cap Cana had delivered various products through the end of 2006 and beginning of 2007, including the first 81 boat slips of our marina, the Founders' packages (consisting of 60 marina condos, together with 30 golf lots and 30 beach home lots), 16 Caletón villas and the infrastructure associated with each of these works, including direct road access, water supply and sewage treatment services, electricity and telecommunications services.

So far, Cap Cana has been able to attract some of the most renowned brands worldwide to its project. The following list names just a few of them.

<b>REAL STATE</b>   <b>TRUMP</b>	<b>MARINA &amp; GOLF</b>   	<b>FINANCE</b>  
<b>CONSTRUCTION</b>  	<b>HOTELS</b>  	<b>OTHERS</b>       

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**Senior Lending Partner / Equity Stake Holder:**

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**Deutsche Bank**

Deutsche Bank is a leading global investment bank with a strong and profitable private client's franchise. DB has 73,114 employees in 75 countries and unparalleled financial services throughout the world. A leader in Germany and Europe, the bank is continuously growing in North America, Asia, and key emerging markets.

To date PCRP has a commitment from DB to be both and equity and Sr. Lending partner in the project. We have signed a mandate letter with Deutsche Bank to provide a \$65MM dollar senior facility for land acquisition and construction. The company is also in current discussions with DB to provide end-user financing to our buyers. DB currently has a \$250MM plus dollar consumer financing fund allocated toward several projects being sold in Cap Cana.

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**Construction Management Partner:**

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***Domestic: Skanska:***

PCRP has engaged the World Reknown construction company SKANSKA to act as the company's domestic and local advisor responsible for budget and operational oversight of the local construction partner ARALCA. Skanska USA Building Inc. provides general construction, construction management and design/build services. Headquartered in Parsippany, New Jersey, the company maintains offices throughout the United States and employs approximately 5,300 pre-construction and construction professionals. Skanska USA Building Inc. is a subsidiary of Skanska AB. Skanska AB, headquartered in Stockholm, Sweden, operates in 23 permanent markets, with more than 54,000 employees worldwide. ARALCA will be responsible for all of the day to day operations and construction management and sub-contracting of local partners for the project and SKANSKA will act as Construction Chair of the construction committee responsible for oversight of the construction management partner.

***Skanska Caribbean Operations***

As part of the growth strategy, Skanska USA Building Inc. created the Caribbean Operation Office. The division is committed to providing the highest standards of quality, service, and integrity. Headquartered in San Juan Puerto Rico, the Caribbean Division currently houses more than 100 Professionals and holds over \$500 million dollars in contract value. After the consolidation under the Skanska USA umbrella and with over 5 years of continued operations under the old Sordoni and Barclay White organization, the Office continues to expand its capabilities and resources. Our local office mirrors the local economy and maintains a structure that can respond to local trends and Project needs right there. Therefore, our approach maximizes project's overall performance, safety, quality and cost. Skanska is currently engaged in the Caribbean in the Island of Puerto Rico and Anguilla.

***Local Construction Partner: ARALCA***

PCRP has engaged ARALCA, S.A. as its local partner to oversee and execute Construction Management. Founded in 1990, ARALCA has become a premier native Dominican construction and engineering company. It is dedicated to meeting the challenges and need of the Dominican market and its economically diverse communities in the areas of electrical, hydro, infrastructural, mechanical, and residential construction and engineering.

Since its inception, ARALCA has been able to put together a strong leadership team and a talented and well trained staff of professionals. With this staff and its dedicated resources ARALCA has amassed a diverse and successful portfolio of quality executed projects which in turn have placed it solidly in a leadership position among its peers or competitors in the Dominican community.

Among its many accomplishments ARALCA is responsible or participating in the erection of more kilometres of high voltage power lines and their towers than any other native Dominican construction firm. This accomplishment gives ARALCA a strong reputation in the Dominican community.

ARALCA leadership and employees take great pride in their tangible professional contribution to the development of the infrastructure and platforms of the Dominican Republic as well as the communities they have helped shape.

The experience and expertise gained throughout their labours across the years as well as the resources amassed well prepare ARALCA to take advantage of the opportunities that will emerge in the Dominican construction marketplace.

- ARALCA through its residential development arm Grupo Hospedaje, S.A. is currently developing:
  - 100 apartments at Punta Cana.
  - A Luxury Tower in Down Town Santo Domingo
  - Villas at Cap Cana

Presently ARALCA executes its processes under and with ISO 9000 norms and standards.

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**Architectural Partners:**

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**Richard Meier and Partners, Architects LLP**

PCRP is proud to say that it has signed on the World Reknowned Architect Richard Meier to design the Las Iguanas project! Richard Meier is well known and respected around the world for his architecture and designs. He has been awarded major commissions in the United States and Europe including courthouses, city halls, museums, corporate headquarters, housing and private residences. Some of his best-known projects include The Getty Center in Los Angeles, the High Museum in Atlanta, the Frankfurt Museum for Decorative Arts in Germany, the Canal Plus Television Headquarters in Paris, the Barcelona Museum of Contemporary Art, The Hartford Seminary in Connecticut, and the Atheneum in New Harmony, Indiana.

Recognized with the highest honors available in architecture, in 1997 he received the AIA Gold Medal from the American Institute of Architects as well as the Praemium Imperiale from the Japanese Government, in recognition of a lifetime achievement in the arts. In 1995, he was elected Fellow to the American Academy of Arts and Sciences. He received the Deutscher Architektur Preis in 1993 and in 1992 the French Government awarded him with the honor of Officier de l'Ordre des Arts et des Lettres, and in 1989, the Royal Institute of British Architects, of which he is a Fellow, awarded him the Royal Gold Medal.

For more than four decades, Richard Meier & Partners has been called upon to create dozens of urban designs in the United States and abroad, each of which has been conceived to greet their contexts with grace and usher their residents into a brighter future. It has always been their aim to create a brand of architecture that legendary architect Louis Kahn once described as the "architecture of occasion." Such are buildings that encourage public gatherings and contemplation, inspire creativity, give pleasure, and infuse both visitors and occupants with a sense of event.

In lieu of subscribing to fashion and polemic, Richard Meier & Partners aims to deliver thoughtful, original and contemporary architecture that conveys a sense of humanism and purpose while fulfilling programmatic requirements. This is achieved through an intensive collaboration with clients and consultants and careful investigation into the best ways to accommodate the program. Richard Meier & Partners exercises economy of gesture and scrupulous attention which results in the highest standards of execution, delight in pure beauty, and respect for the client's need to be inspired and engaged.

The work of Richard Meier & Partners is instantly recognizable and internationally well respected. Many of the firm's buildings have become local and international landmarks and are exceptionally popular, frequently visited attractions in their respective cities. Our projects have received numerous awards including 29 National Honor Awards from the American Institute of Architects and 53 New York AIA and other AIA regional chapters. In their offices in New York and Los Angeles the company employs a staff of multi-cultural, extremely talented professionals and have produced contract documents for projects in 15 different countries and 6 languages.

Richard Meier & Partners projects reflect the firm's extensive experience with many building types including museums, cultural facilities, city halls and government office buildings, courthouses, libraries, educational buildings, television, radio and film production facilities, industrial research complexes, corporate headquarters facilities and private residences. The firm has worked on major urban design assignments in the United States, Prague, Edinburgh, Antwerp and Nice.

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**Interior Designer Partner:**

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**Martynus-Tripp, Inc**

PCRP has enlisted the Talented and Famous Martynus Bullard to lead the interior design and direction team for the project! Born in England, Martyn Lawrence Bullard moved to Los Angeles eight years ago. He started his U.S. career as an actor, but found his true calling as an interior designer after designing a film producer's office. Martyn is now a "designer to the stars," with clients such as Edward Norton and Christina Aguilera. His style epitomizes Hollywood extravagance and glamour - he even lives in the former home of film star Gloria Swanson. Often seen on the celebrity circuit, Martyn boasts that he is a friend and confidante to whomever he designs for. His projects in the series include creating a \$20 million ultimate bachelor pad for Girls Gone Wild owner Joe Francis.

Martyn Lawrence Bullard now one of California's major interior designers started his career in the flee markets of London and Paris at the age of 12 by buying and selling antique and decorative objects. Subsequently he has gathered a vast knowledge of many styles, periods, and decorative arts. He later took a course at Sotheby's and has extensively toured the world to refine both his eye and knowledge.

Now having formed his interior design company Martynus-Tripp inc in Los Angeles over 10 years ago his clients range from royalty to pop stars. A list celebrities and he has decorated homes for such luminaries as Christina Aguilera, Edward Norton, Cheryl Tiegs, William H. Macy and Desperate Housewife Felicity Huffman, Patti LaBelle, Rebecca Romjin, award winning writer Aaron Sorkin, Kid Rock and Tamara Mellon CEO of fashion empire Jimmy Choo to name but a few. He's been published internationally over 70 times in the last two years alone in every shelter magazine from Architectural Digest to Tatler, Elle Décor to Harper's Bazaar and international dailies including the New York Times, The Los Angeles Times, British Sunday Times, Daily Mail, The Express and the Financial Times.

He has recently been declared one of the top 100 designers in the world by Architectural Digest and won Life Style Interior Designer of the year 2005. Martynus-Tripp was declared American Taste Maker of the year 2006 by House & Garden and Conde Naste.

He is currently working on 3 projects for Cher including the penthouse of Caesars Palace Las Vegas, a Malibu beach house for Pamela Anderson and a swinging sixties pad in London for Vidal Sassoon, a hip new hotel in the much revived Palm Springs movie star colony and restoring the world's fifth most famous architectural home by Neutra in the hills of Bel Air. He also hosts the Hollywood homes celebrity segments on the UK's number one breakfast show "This Morning." And can be seen regularly on Star treatment internationally.

Martyn's creativity thrives on diversity. His design elements have been described as unique-balancing contemporary (innovative fabrics, lighting, furniture) with history and the traditional styles that were his first love. For Martyn, to be an interior designer "is not just to have the ability to create a beautiful room. It is to create comfortable surroundings for your client to infuse on them a sense of living, thus uplifting everyday with colors and delights to the eyes."

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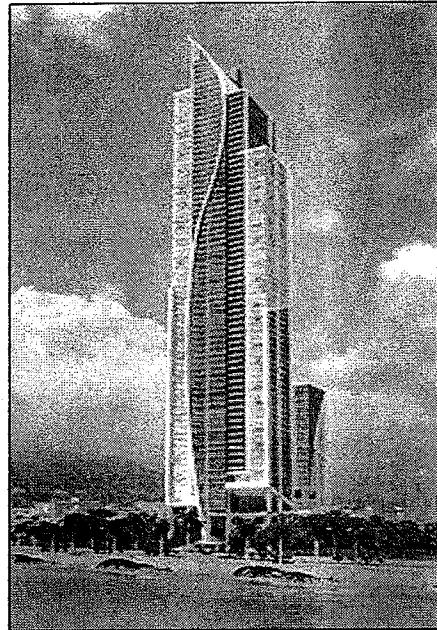
**Examples of Current Partners Portfolio:**


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**Arts Tower – Avenida Balboa -Panama City, Panama**

Panama City, is the capital and largest city in Panama, as well as the nation's commercial and cultural hub. Located on an isthmus near the southern tip of North America, Panama City benefits from its proximity to the Panama Canal - the only shipping route between the Atlantic and Pacific Oceans north of the Straits of Magellan. Since the year 2000, high-rise condominium construction is on the rise, mainly due to strong overseas demand. One of these new high rises developments, Arts Tower is being built by Centurion Realty LLC along with a group of local developers.

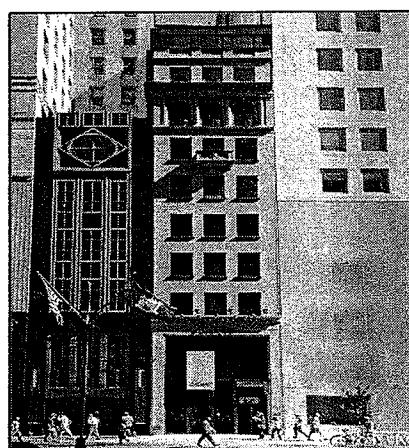
Arts Tower is an astonishing state of the art project located in the heart of Panama City. With its superior location on Avenida Balboa this one of a kind tower will offer each and every unit spectacular ocean front views.


**Broadway – New York, NY**

As part of our investment practices over the years we have also invested monies with outside partners. One such deal was our investment in 1466 Broadway. This property purchased in November of 2004 for \$160M and was sold in February of 2007 for \$300M. This investment proved to be extremely lucrative for our group and all other investors who participated in the offering.


**743 5th Avenue - New York, NY**

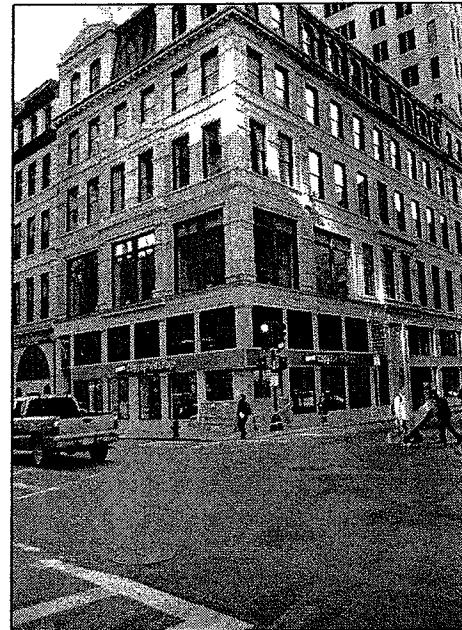
This 20,000 sqf gem of a property was acquired for \$28M dollars. The property was delivered to us vacant, and since that time we diligently worked to secure a first class jeweler to occupy the retail premises of the location. Additionally, the lobby and office floors of the building are in the midst of being renovated to make way for boutique office users. Once the renovations are complete we are expecting Net Operating Income for the property to be in excess of \$2.5M resulting in an enormous appreciation in value for the asset since we acquired it.



**87 Summer Street – Boston, MA**

87 Summer Street is a five-story building with 25,568 net rentable square feet that includes a partial mezzanine level and full basement. The property is located on the south side of the intersection of Summer and Kingston Street in the heart of downtown Boston.

Realizing that there was enormous potential for the development and enhancement of the retail portion of this building, shortly after we purchased the building we approached the retail tenants operating in the building and came to terms with them for the termination of their leases. Upon their vacating of the premises we signed a long term deal with Staples Inc. for the entire retail portion of the building. After buying the building for a mere \$5,300,000.00 we have boosted the Net Operating Income of the property to \$480,000 in just over two years.

**Current Portfolio: RWO****Withers Preserve - Myrtle Beach, SC**

Withers Preserve is an 800+ acre master planned, new urbanism community that is comprised approximately of 3,500 residential lots and 100 plus acres zoned commercial. All of this is planned along generous, landscaped streets and walkways with ample green space throughout the development.

**Mt. Holly Club - Beaver, Utah**

Mt. Holly Club will be an exclusive private ski and golf resort club community offering world-class amenities, first-class service, and year-round adventure on about 2,000 acres of lavish mountain real estate, nestled in 700,000 acres of pristine national forest. The resort will offer a total of 1,204 residential lots/units, comprised of 370 estate lots, 297 mountain homes, and 527 condominiums.

**Rancho Lomas - Tamarindo, Costa Rica**

RWO recently acquired a 71.5 hectare (177 acre) site in Tamarindo, Costa Rica. The property sits in a valley and has spectacular views of Tamarindo, Playa Grande, and the Pacific Ocean. RWO plans to sell ocean view lots, hillside lots, valley lots, and finished homes.

**Project Pipeline:****Gulf of Papagayo, Costa Rica**

RWO has signed an LOI to purchase 1,850 upland acres on the Gulf of Papagayo in Guanacaste, Costa Rica to develop a resort, for-sale residential lots, condos and a marina. Gulf of Papagayo is on the Pacific Ocean side of Costa Rica in an area that has been set aside by the Costa Rican government to encourage tourism.

**The Ritz Carlton Cockleshell Bay - St. Kitts**

RWO has signed an LOI to purchase 153 acres on the southeastern side of St. Kitts with the intent to develop a hotel/condo, 165 slip marina, and real estate component.

**Tranquilo - Los Cabos, Mexico**

RWO has signed an LOI to purchase 2,350 acres in Los Cabos, Mexico. The purchase is being orchestrated with a well-known local developer and is being structured to minimize risk. Development plans include lots, golf courses, condominiums, hotels, and potential retail.

### THE LAS IGUANAS PROJECT – BUSINESS PLAN

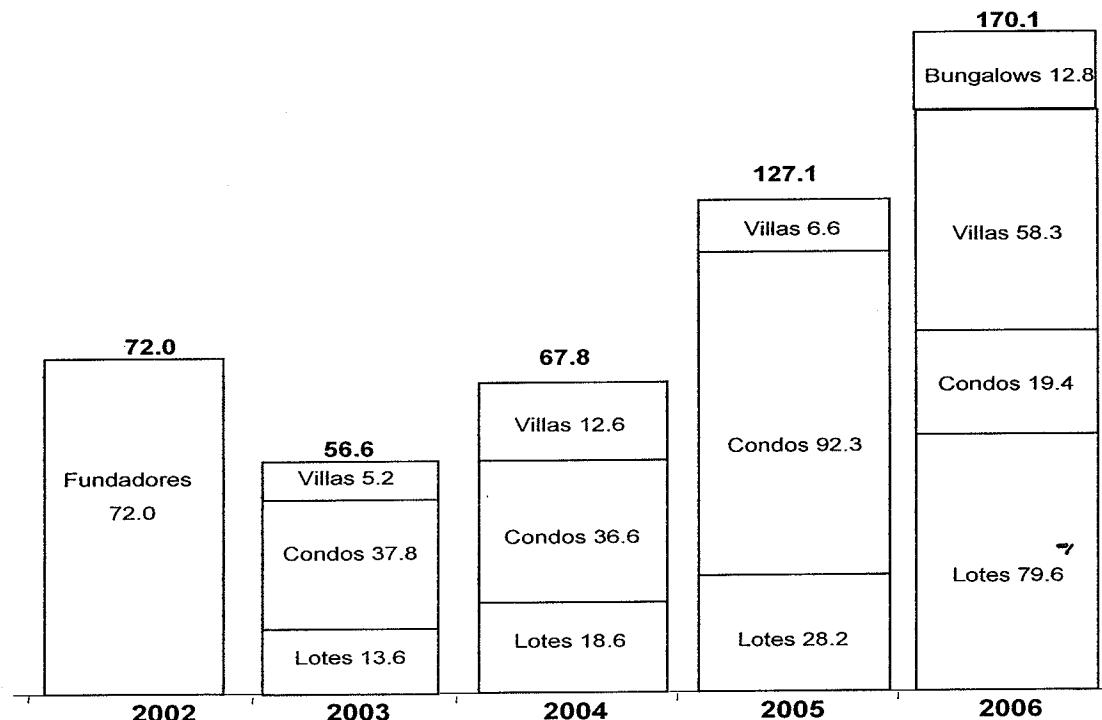
The following section is the analysis of the main components of what the company has decided is the best approach given the team's expertise and current project skill sets, market trends in Cap Cana and end to end financing availability for end user financing.

Based on the current absorption rates the current construction capability available in the country, and current contemplated financing solutions we would expect the entire residential development to last 3 years from land purchase to delivery of all units.

Based on the existing Cap Cana Development teams' recommendations and our internal analysis, we would approach this development in 2 phases from the sales point of view. Phase 1 would kickoff with a launching event in order to allocate a large volume of units right from the start, following up with a line sale of the remaining inventory for phase 1. Phase 2 would be done on line, and would feature a higher price based on sales success and a slower rhythm of absorption.

Cap Cana has consistently increased yearly sales volume and, more importantly, the price per square meter has continuously increased throughout the years. The recent success of Trump's lots has shown that there is a proven demand for product in Cap Cana that is only limited by the amount of inventory and available financing options to end buyers.

The Market has grown and expanded from the Super Elite US and European client to the Trendy X Generation and White Collar, and Entertainment Industry executive buyers. When you analyze the graph below (provided by the management Team at Cap Cana based on real sales) it is evident that the true growth opportunity is in the sale of residential product.



## **TARGET MARKETING AND SALES PLAN**

The use of Target Marketing at Cap Cana has been one of the greatest assets in the growth of the brand and the product. It is our intention to piggy back and build on the momentum of the Cap Cana Brand. As the brand and Sales force has matured the Cap Cana brand has expanded beyond the local markets in to South America and Europe and now into the United States it is our plan to target market the young trendy and successful US market. We intend on expanding the Cap Cana Sales force to include a U.S. based sales strategy that is also driven by commission but targets the white collar investment banking customer as well as the trendy mogul driven Entertainment Executives and Artists in Film, Television, and Recording Industry. Las Iguanas at Cap Cana will be the trendy youthful professional mogul driven destination within the well established brand of Cap Cana. This will help to invigorate and drive an additional client base into the existing demand for product at Cap Cana. It will also create a “NEW Destination” for a large successful US Market with pinned up liquidity.

The sales force of Cap Cana will benefit and be given a new market demographic that they are yet to tap into by this mixed channel strategy.

Following the past sales experience in Cap Cana, we understand that the following sales scheme could be a good proxy for a convenient sales pace:

- **Months 0-3. Pre-sales.**
  - Preparation and cleaning of the plot
  - Prepare designs and marketing material
  - Contact potential customers, Entertainers, High Profile Celebrities, High Profile Corporate Finance Market Makers, Sports Figures etc.
- **Month 4. Sales Event**
  - A series of Highly Publicized Ultra High End Luxury ALL STAR GALA EVENTS: High Profile Celebrity Birthday Bash, Large Scale Fashion Show Events, Celebrity Basketball, Football Charity Events, High Profile Recording Industry Events in Cap Cana similar to the one organized for the founders' packages or Trump at Cap Cana Farallón lots.
  - 15% to 20% of reservations and total sales expected during the months previous to the event and during the event itself. This figure is considered conservative and is based on previous experience in similar events which Cap Cana has held in the past (in the case of founders, 100% of the 62 packages were sold, and 95% sold at Trump at Cap Cana Lots Event – multi million dollar lots).
- **Month 4-27. Sales period.**
  - 24 month sales period where the rest of the units will be sold. The absorption rate for these months will be in average between 12 and 19 units/month. Cap Cana believes that this product could reach a reasonable average absorption rate of 20 units/month if a proper sales network is established
  - Depending on the acceptance of the product, it is our intention to consider a price increase for prime locations and different product

types for those high profile celebrities that will be involved in the marketing and sales of our product.

### Pricing

The initial price point for the Las Iguanas product is one of the most important decisions in order to maximize value per sqm., and the product absorption rate. Based on the comps provided by Cap Cana we have gone with the following pricing position for our offering:

- **Golden Bear Lodge:** golf condominiums, very similar in terms of target market and product location to Las Iguanas. GBL is located at the top of the same bluff as the Las Iguanas lot and does not rest on such a renowned design as that of Mr. R. Meier.
  - 2004. Initial average sale price of 2,486 US\$/sqm
  - 2005. Average sale price of 3,280 US\$/sqm (43% revaluation with respect to 2004)
  - 2006. Average sale price of 4,543 US\$/sqm (27% revaluation with respect to 2005)
- **Green Village:** golf bungalows (not apartments), located not directly on the golf course:
  - 2007 (68 units have been sold from January to April). Average sale price of 3,169US\$/sqm. Maximum sale price of 3,646 US\$/sqm [NOTE, most units where sold to investors under 10 unit packages, hence generating a considerable discount]
  - This product has not yet generated re -sale data to show an empirical evolution of prices

These prices are final sales prices after discounts. Based on this information we believe the price point for Las Iguanas should be lower than Punta Palmera, because of the Premium that a beach front product has.

On the other hand, the price point should also be higher than Green Village since the bungalows and the villas are horizontal properties with more square meters of patio and covered terrace that diminish the price per sqm. The nearest reference is Golden Bear Lodge. However, the 4,543 US\$/sqm resale price for the Golden Bear Lodge apply only for a couple of units, under the circumstance of limited availability of product, and also due to the advance of the project where actual purchasers are paying practically for a product ready for delivery.

Our pricing strategy is based on an average. The Las Iguanas product will offer the buyer the most differentiated product in Cap Cana and will sell on an average over the sales cycle of between \$5,500 dollars per sqm and \$7,000 dollars per sqm as the project matures.

Based on the previous referents and the prices that Cap Cana has stipulated for this product typology, **the average price point that we have gone with is completely consistent for Las Iguanas product of 5,000 US\$/sqm (net after all discounts). We consider this price to be a conservative assumption.**

**Revenues**

The following hypothesis and data have been estimated for sales and income elaboration:

<b>Revenue Assumptions</b>	
Construction period (months):	24
Units built:	520
Total useable area per unit (sqm)	
- interior	200
- terrace	53
%Sale - interior	100%
%Sale - terrace	50%
Sales price per square meter (US\$)	5,000
Sales price per unit (US\$)	1,132,500
<b>Gross Sales (US\$)</b>	<b>588,900,000</b>

We assume the following payment conditions. These conditions are similar to the ones that have been offered in Cap Cana for the last years. Although we believe that end buyer financing will be an option to our customers and will increase the absorption and pricing ratios dramatically we have made an internal decision to use the existing Cap Cana model in which there is no End buyer financing assumed in order to arrive at conservative figures.

**Payment conditions**

% downpayment	10%
% in 5 bimonthly payments	25%
% paid at delivery	65%

The 5 bi-monthly payments begin in month 3 after the sale is done, assuming the down payment is made during month 1. Each bi-monthly payment is equivalent to 5% of the total sales price. The initial payment of 10% and the 5 bi-monthly payments are one of the main sources of finance for the project, hence the sensibility of the sales absorption rate.

## Costs

The following items represent the main cost items for the development:

- Construction costs.
  - o Designs
  - o Land conditioning fillings
  - o Construction of covered area and terraces
  - o Common areas + Interior infrastructure of the lot + Landscaping. These concepts are estimated as an extra 25 % over construction costs
- Sales costs. It includes commissions, events, sales palapa and other expenses related to the sale.
- Marketing costs . It includes publicity, generation of brochures and other marketing expenses
- G&A expenses. Include permits, administrative, consultants, advisors, legal, etc.

Cost Assumptions	
Construction cost (US\$/ sqm)	
- Interior	1000
- Terrace	500
- Common area	600
Sale commissions as a % gross sales	9.5%
Marketing expenses as a % gross sales	3.0%
After Sales G&A expenses as a % gross sales	1.5%
Total Construction Cost	137,514,000
% of gross sales	23%
Sales & Marketing expenses	73,612,500
After-Sales G&A expenses	8,833,500
Pre-Sales G&A expenses	1,400,000
Cost of Land	73,750,000
% of gross sales (cost of land)	13%
<b>Total Cost (before financing)</b>	<b>295,110,000</b>

The criteria used for the distribution of costs in time are the following.

- Construction:
  - o Initial 4-month pre -construction period used for design, cleaning and preparation of the lot
  - o In the first month of construction there will be a large initial expense required as fixed costs due to the purchase of material and equipment
  - o Stable percentage of construction costs in the central months
  - o Important expenses towards the end of the construction phase due to finishing and FF&E
- Cost of Marketing and Sales
  - o Sales costs are proportional to revenues (not sales) of the given month
  - o Marketing costs are proportional to the sales expected on current and next three months ,with a considerable portion of expenses coming before the beginning of sales due to brochures, preparation for the launch event, etc.

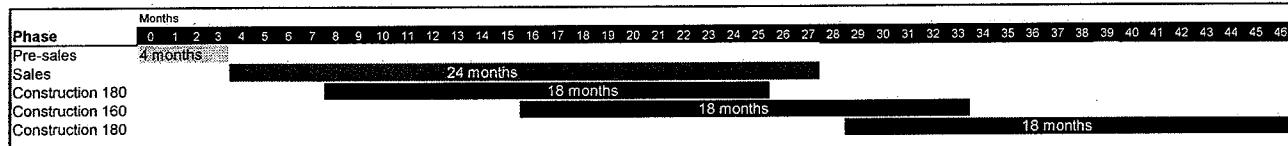
- G&A expenses
  - o Fixed monthly amount throughout the project

### ***Roll Out***

Following Cap Cana's experience with its own developments, we estimate the following roll out for the project:

- Months 0 to 3. Preoperative phase.
- Month 8
  - a. Initial Sales Event
  - b. Start construction of first 180 units (18 months)
- Month 16
  - a. Start construction of next 160 units (18 months)
- Month 25
  - a. Delivery of the first 180 units
- Month 27
  - a. End of sales program
- Month 29
  - a. Start construction of last 180 units (18 months)
- Month 33
  - a. Delivery of next 160 units
- Month 46
  - a. Delivery of last 180 units
  - b. End of Las Iguanas project.

The above roll-out could be plotted in the following way:



This roll -out implies a total duration for the project of 40 months, or 3 years and 4 months. Due to the strong sales expected in the first year, we estimate a strong effort in construction during the following year after the initial event of sales. The construction schedule could be relaxed depending on the delivery conditions arranged with customers.

**Income Statement**

The income statement for the business proposed to the developer is as follow.

According to these figures, the developer will have achieved an EBITDA of 367.54 M US\$ at the end of the project not including the cost of the land and financing costs.

**Income Statement before financing and land acq**

Gross Sales	588,900,000	
Construction	(137,514,000)	23%
Sales & Marketing expenses	(73,612,500)	13%
G&A expenses	(10,233,500)	2%
<b>EBITDA</b>	<b>367,540,000</b>	<b>62%</b>

**Cash Flow for the residential product**

The resultant cash flows developed by Cap Cana are as attached

An analysis of the accumulated operative cash flow indicates a peak of from **\$6 MM US\$** to **\$10 MM US\$** of required working capital at month 9, mostly due to marketing, construction and pre-operative expenses.

**NPV**

The net present value is calculated by applying an annual discount rate of 25% to the operative cash flows (1.88 % monthly rate). We obtain a **net present value (NPV) of the business of \$179.0 M US\$**.

Considering the maturity of the Cap Cana project and the stability and growth of the Dominican Economy we consider a discount rate of 25% to be quite conservative.

Month	Crst Selection	0	Jul	Aug	Sep	Oct	Nov	Dec	1	2	3	4	5	6	7	8	9	10	11	12
Units Sold	1	-	-	-	-	-	-	-	85	36	17	18	19	10	11	11	22	22	22	
Sales (US\$)	-	-	-	-	-	-	-	-	96	41	19	20	22	11	12	12	25	25	25	
Sponsors case	-	-	-	-	-	-	-	-	85	36	17	18	19	10	11	11	22	22	22	
Total Units Sold	-	-	-	-	-	-	-	-	65	121	138	156	175	195	196	218	218	218	240	
Units Delivered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sponsors case	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Land Purchases Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
% paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payment Conditions	10%	25%	65%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income Statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Initial Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Refundable payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payment at delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Construction	2.06	2%	-	0.21	-	0.21	-	0.21	0.21	0.21	0.21	0.21	0.10	-	-	-	-	-	-	
Pre-operation	46.88	34%	-	10.0%	-	10.0%	-	10.0%	10.0%	10.0%	10.0%	10.0%	5.0%	-	-	-	-	-	-	
Phase1	41.68	30%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Phase2	46.89	34%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Phase3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Marketing Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
G&A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating Cash Flow	(0.46)	(0.41)	(0.51)	(0.41)	(0.46)	(0.41)	(0.46)	(0.41)	(1.21)	(0.65)	(1.51)	(1.51)	(5.22)	(2.55)	(1.51)	(5.23)	(2.58)	(1.53)	(1.53)	(3.45)
Cumulative Operating Cash Flow	\$171.90	(0.46)	(0.36)	(1.37)	(1.78)	(2.23)	(2.64)	(3.85)	(4.49)	(6.00)	(1.59)	(0.05)	5.17	7.75	7.07	5.38	8.80	10.63	17.24	6.61
Peak - working capital need	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(P) Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Peak - working capital need	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(P) Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



Month	Case Selection	25	26	27	28	29	30	31	32	33	34	35	36
Units Sold	1	14	6	-	-	-	-	-	-	-	-	-	-
Sales M U\$S		18	7	-	-	-	-	-	-	-	-	-	-
Sponsors case		14	6	-	-	-	-	-	-	-	-	-	-
Total Units Sold	514	520	520	520	520	520	520	520	520	520	520	520	520
Units delivered	-	-	-	-	-	-	-	-	-	160	-	-	-
Sponsors case	-	-	-	-	-	-	-	-	-	160	-	-	-
Land Purchase Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
% paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment Conditions	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Statement													
Initial payment	1,586	0.680	-	-	-	-	-	-	-	-	-	-	-
Bi-monthly payment	6.12	6.00	5.61	5.04	4.30	3.74	3.06	2.49	1.87	1.36	0.79	0.34	-
Payment at delivery	-	-	-	-	-	-	-	-	117.78	-	-	-	-
Total Revenues	7.70	6.68	5.61	5.04	4.30	3.74	3.06	2.49	119.65	1.36	0.79	0.34	-
Costs													
Construction	2.06	2%	2.66	1.25	1.25	1.25	1.120	10.94	5.37	3.59	2.66	1.41	1.41
Pre-operation	46.89	34%	3.0%	-	-	-	-	-	-	-	-	-	-
Phase1	41.68	30%	3.0%	3.0%	3.0%	3.0%	10.0%	15.0%	5.0%	3.0%	3.0%	-	-
Phase2	46.89	34%	2.58	2.24	1.98	1.94	1.89	1.81	1.76	1.68	1.46	1.08	0.77
Phase3													
Sales	0.17	0.05	-	-	-	-	-	-	-	-	-	-	-
Marketing	0.04	0.04	0.04	0.04	-	-	-	-	-	-	-	-	-
Marketing Adjustment	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19
G&A	5.64	3.77	3.46	3.38	13.33	13.03	7.37	5.55	4.53	3.06	2.67	2.37	-
Total Costs	2.06	2.91	2.14	1.66	(9.03)	(9.29)	(4.31)	(3.05)	115.12	(1.70)	(1.88)	(2.03)	-
Operating Cash Flow	180.01	162.92	165.06	166.72	157.69	148.41	144.10	141.04	255.16	254.46	252.58	250.54	-
Cumulative Operating Cash Flow													

Month	Case Selection	37	38	39	40	41	42	43	44	45	46	47	48	TOTAL	% over sales
<b>Units Sold</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	520	100%
Sales M US\$	-	-	-	-	-	-	-	-	-	-	-	-	-	581.90	100%
Sponsors case	-	-	-	-	-	-	-	-	-	-	-	-	-	OK	
Total Units Sold	520	520	520	520	520	520	520	520	520	520	520	520	520	520	OK
<b>Units delivered</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	520
Sponsors case	-	-	-	-	-	-	-	-	-	-	-	-	-	-	OK
Land Purchase Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	OK
% Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.5%
<b>Payment Conditions</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Income Statement</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Initial payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58.89
Bimonthly payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10%
Payment at delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	147.23
<b>Total Revenues</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	382.79
<b>Costs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65%
Construction	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	-	137.51
Pre-operation	2.06	2%	-	-	-	-	-	-	-	-	-	-	-	-	23%
Phase1	46.89	34%	-	-	-	-	-	-	-	-	-	-	-	-	100%
Phase2	41.68	30%	-	-	-	-	-	-	-	-	-	-	-	-	100%
Phase3	46.89	34%	0.60	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	-	100%
Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67.13
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.4%
Marketing Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.67
CoA	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	-	2.8%
<b>Total Costs</b>	2.20	1.86	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	-	1.2%
<b>Operating Cash Flow</b>	(2.20)	(1.86)	(1.60)	(1.60)	(1.60)	(1.60)	(1.60)	(1.60)	(1.60)	(1.60)	(1.60)	(1.60)	(1.60)	-	1.00
<b>Cummulative Operating Cash Flow</b>	248.34	246.48	244.63	243.29	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	-	10.23
	248.34	246.48	244.63	243.29	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	-	1.7%
	248.34	246.48	244.63	243.29	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	-	232.55
	248.34	246.48	244.63	243.29	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	-	39.5%
	248.34	246.48	244.63	243.29	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	-	398.35
	248.34	246.48	244.63	243.29	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	-	60.5%
	248.34	246.48	244.63	243.29	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	241.99	-	599.64